

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Monday, August 24th, 1964.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Special Committees

Notices of Motion

Introduction of Bills

Orders of the Day

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, perhaps you could call again the adjourned debate on the Throne Speech and invite the Honourable Member for Rhineland to continue his discourse.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, before the Orders of the Day are called I'd like to ask a question of the First Minister. On Hansard August 17th, page 27, he is reading a statement to the House and he says as follows: "I interrupt my reading of this statement merely to remark that this particular piece of property was under an option for sale at a price that was set in 1959 and is no longer owned by Mr. Steinkopf. The option was exercised and the price settled five years ago." I wonder if the First Minister would indicate whether that statement is correct.

MR. ROBLIN: I think it is not quite correct as my honourable friend reads it because it was the price that was set five years ago. The option was exercised quite recently.

MR. MOLGAT: Madam Speaker, I wonder if the First Minister would be prepared to tell the House when the option was exercised?

MR. ROBLIN: I think it was this spring, Madam Speaker, quite recently within the last two or three months, I haven't got the exact date in my head I'm afraid.

MR. MOLGAT: I wonder if the First Minister would be prepared to obtain that information, Madam Speaker, for the House.

MR. ROBLIN: Yes I would Madam Speaker.

MR. MOLGAT: Madam Speaker, before the Orders of the Day I rise on a matter of personal privilege. On Friday of last week a statement was read in this House by Mr. Steinkopf. He said at that time, amongst other things, "Bill No. 3 was brought into the House in the expectation that it would receive the general support on all sides of the House." Saturday evening and yesterday in a fit of temper and his usual petulant manner the First Minister had a great deal to say on the TV on this statement and he says on that, "I must say that my understanding of their feeling at that time was that this was a matter which we really did not think was anything more than a technical inadvertence as we stated it to be. We did not believe at that time that there would be any opposition in the Legislature at all to bringing in a motion to deal with this thing." And he repeats that same statement in slightly different terms on two or three occasions in that TV statement, Madam Speaker, and he leaves the inference and he says, "That he had agreement from us to support this bill in this House." Madam Speaker, I deny that completely and totally. At no time did I or any of the members of my party agree to support this bill. Those were the statements I made to the First Minister and, Madam Speaker, I made those statements publicly subsequently, and here is a news report from the Winnipeg Tribune on Wednesday, May 13th, 1964, the headline is: "Molgat asks information on Steinkopf." And this was after certain statements had been published in the newspapers. And the story says: "Opposition Leader Gil Molgat said today he would have to have more information before deciding whether to support a remedial bill to remove any doubts about the eligibility of Provincial Secretary Maitland Steinkopf as an MLA." And I go on to say: "I must have further -- and this is in quote marks -- "I must have further information before saying whether I am prepared to support the bill." Those were my statements, Madam Speaker, at that time, public statements. The Premier had the same statements privately. There was no agreement on our part at any time.

MR. ROBLIN: Madam Speaker, I think on this question of personal privilege that I should be allowed to give my version of the event because I think that it is important that we should understand this matter as clearly as we can. I am not going to say, I am not going to say

(Mr. Roblin cont'd) that any member of this House, my honourable friend or any other, gave me an assurance in that categorical sense that they were going to support any bill in connection with Mr. Steinkopf. But there is quite another way, Madam Speaker, of being able to ascertain the sense of conversation and of feelings with people. No one was asked to give that kind of an understanding but when I spoke to members opposite as I did when this matter first came to my attention last April, it was the day before the House was closing, and I did speak to many members of Opposition Parties about this thing to ascertain their sense and their feeling as to whether this was a matter that should be proceeded with right away and I did that because in view of the shortness of time we would have to have unanimous consent to move the proceedings along in the course in which they were to take. We did not need unanimous consent in the sense that we had to bring the bill in with unanimous consent but we needed to do it if we were going to close before the House. Now I will stand here and I will say that any-time that anyone likes to task me with it that it would have been wiser of me to have brought that bill in at that time regardless of the fact that it might have delayed the House, but I can only say to you, Madam Speaker, that I sincerely felt from my conversations with other members of the House that they did not regard it as a matter of such importance or urgency that I should take that step. Now I may be wrong in taking that assumption from what members said to me but I have to say that to the best of my ability to speak the truth that was the impression that I got from my conversations with members in the House.

The one person it is perfectly true who did not agree that we should have unanimous consent to put the thing through is the Honourable Leader of the Opposition. He never gave me that consent and that is one of the reasons why we did not go ahead at that time. But had I felt that there was a feeling among members on the other side of the House that we should regardless of that particular situation, gone ahead, I would have done so. That is my judgment of the situation; that is my feeling and I will not tax any member of this House with having given me any categorical assurances but I will tell the House what my impressions were from the conversations that I had. Looking back at it now it would have been better I am certain to have disregarded any intimations of that sort and to have gone right ahead with the bill as we attempted to do on this occasion. But I want to make this statement because I think that I have a duty to do my best to tell the truth of the origin of this thing; why it wasn't proceeded with at that time and the reasons why I felt from my conversations with other members of the House that they shared our view that this was not anything more than what it has been stated to be from this side.

Now it became obvious, it's become obvious since then that I've been very, very mistaken, completely mistaken in my assessment of the situation as it was presented to my mind at that time and that is a fact and it's clear for all to read that that assessment was a completely mistaken one. All I want to say to the House was that it was an honest assessment and what I believed to be the fact then.

MR. MOLGAT: Madam Speaker, nothing could be clearer on my part than a statement when I say I must have further information before saying whether I am prepared to support the bill. There is no tacit, or partial, or any kind of an understanding in that sort of a statement. It's a clear cut statement that I'm not prepared to support the bill until I have further information and I had no further conversations with the First Minister subsequent to that on this subject except one telephone call from him when he advised me that he was going to bring the bill in the House. That was all that was in that telephone call. There was no request, admittedly, whether I would support it or not and I gave him no understanding, no tacit understanding, no kind of an understanding and I say to him, Don't go around to the people of Manitoba now saying that you've been doublecrossed, because that's not the case. There was no understanding at any time and this matter was caucussed completely with the members of my party.

MR. ROBLIN: I repeat what I said, Madam Speaker, that regardless of what my honourable friend says to me about his dealings with me that I thought that I had gathered the sense of the Opposition Parties in the sense of the House. I thought that I had gathered it; I honestly believed that that was their view on this matter. As I have said I was mistaken because it certainly is not their view.

MR. MOLGAT: How then does my honourable friend explain the statement in the

(Mr. Molgat cont'd) newspapers on the 13th of May? Is there any sort of an understanding in that at all, any tacit or anything at all? It's a plain statement.

MR. ROBLIN: I'm talking about the situation in April when we discussed this matter.

MR. MOLGAT: The situation was the very same in April, Madam Speaker, and I might say this, that the Honourable the First Minister came to my office at that time on two occasions -- he was alone, there was no one else there -- he came on Tuesday the 14th of April, 1964, at approximately 11:30 in the morning; he came back on Wednesday the 15th of April, at 2:40 in the afternoon. Madam Speaker, those were private conversations and I'm not going to go into the details of them but there was no understanding of any kind at those meetings. None.

MR. ROBLIN: My honourable friend did not at that time indicate to me that he didn't believe what I was saying about Maitland Steinkopf.

MR. MOLGAT: Madam Speaker, if I had believed what the First Minister was saying to me I would have been prepared to give him the understanding but he was not giving me the full facts and he knows it. He said nothing to me at that time at all about Mr. Steinkopf having other interests in that area and he knows that.

MR. ROBLIN: Madam Speaker, I told my honourable friend that we would disclose anything that he wanted to know. I told him people to go and see. I advised him that any information I had would be available to him. That is the fact.

MADAM SPEAKER: I believe the members of the House will agree that I have allowed a certain amount of discussion between the two honourable members. I believe that we should allow a certain amount of latitude in this but I think that I would ask the honourable members to agree with me that the time has come when I should call a halt to this and go ahead with the proceedings of the House. And with leave of the House I call the adjourned debate

MR. LAURENT DESJARDINS (St. Boniface): Madam Speaker, before the Orders of the Day I would like to address a question to the Honourable the Leader of this House. In view of the

MADAM SPEAKER: has the honourable member leave to proceed from the House. I have called a stop to the proceedings.

MR. DESJARDINS: Before the Orders of the Day?

MR. ROBLIN: I'd be glad to hear his question, Madam Speaker.

MR. DESJARDINS: My question was, Madam Speaker, that in view of the statements that were made tonight by the Honourable First Minister and the Leader of the Official Opposition, does he feel that he was justified in accusing -- a blanket accusation of all the people that voted against the bill, publicly over the TV? Because I think that he accused yesterday and Saturday all the members that voted against this bill, accused them of being hypocrites and using anything possible to get at the government and being two faced and so on. I've never talked to the Premier about this and I certainly don't feel that I should be accused just because I'm voting the way that my conscience dictates. I wonder if the First Minister would tell me if he feels that he was justified and if not, I think that he should be man enough to apologize now. His fit of temper should be over by now.

MR. ROBLIN: Madam Speaker I have nothing to add to what I have already said.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Member for Hamiota, and the proposed amendment thereto by the Leader of the Opposition, and the proposed amendment to the amendment by the Leader of the New Democratic Party. The Honourable the Member for Rhineland.

And I must caution the Honourable the Member for Rhineland that he has three minutes left in his time.

MR. J. M. FROESE (Rhineland): Madam Speaker, if that is the case

MR. ROBLIN: If it's any comfort to the honourable member, as far as we are concerned we'd be prepared to hear him to the end of his speech even though it is more than three minutes.

MR. ELMAN GUTTORMSON (St. George): . . . neither if he wishes to proceed longer.

MR. S. PETERS (Elmwood): We have no objection, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Madam Speaker, I want to thank the members who have just agreed to permit me to finish my remarks that I have to make tonight. I was going to make a few remarks

(Mr. Froese cont'd) just before we adjourned on the Carter Commission on Banking and Finance. This Commission brought in a very lengthy report. It's a big volume and I don't think any one of the members would relish going through the whole report and reading it, but I had the opportunity of listening in, sitting in on a discussion on some other occasion where we had a solicitor analyze this report for us in connection with credit unions and what the effect would be on credit unions in Canada and in this province, and also what effect it would have on the bank if the recommendations in the report were implemented

I would like to read a few excerpts of a statement that was prepared for us at that time which gives us some idea as to what the report recommendations would do to the credit union movement here in the province and also what the scope of the report is. It says here, "The broad scope of the report is based upon the economic theory that the price system operating in an arena of free competition with the minimum of statutory limitations on financial institutions and good government supervision will permit the economy to expand and also permit effective monetary control, whereas the financial system that has developed up to the present time has from a legislative point of view in any event tended to recognize specialized institutions in the financial field and to provide limitations and restrictions presumed to be directed to their sound operation, the trend of the Royal Commission Report if it becomes the blueprint for the future will be to eliminate these specializations in terms of characterization of the institutions to considerably reduce the statutory limitations and to provide more viable types of activities by a great many financial institutions under the direction of the Superintendent of the Bank, the Treasury Board and the Bank of Canada rather than by Parliament. To some extent this process has already in fact begun. Any financial institutions are pushing at the edges of their statutory limitations and have devised ways and means of getting around it. Even the banks have appeared to become interested in some manner in mortgage companies for instance and the insurance companies have devised new policies where the insured agrees to the investment of the funds in equity stocks leaving the determination of the amount payable in the event of death or maturity of the policy to the proportionate share of the value at that date. Since the war many factors have developed in the financial system of Canada which has tended to limit the free operations of the price system. For instance, large finance corporations have developed operating outside dependence of the banking system, life insurance and pension funds have developed tremendously to syphon off a large share of the savings of the ordinary working people from the bank and are directed by statutory limitations in many cases into very conservative areas of investment. This vacuum has been filled by an excessive inflow of foreign risk capital. Credity buying of consumer goods have greatly increased. A large portion of savings of ordinary people have been directed into parity bond issues by governments. Interest rates have risen to a point where the six percent limitation on the bank have restricted them to some extent in undertaking a competitive part in the developing financial community. Insurance and trust companies have been limited by statutory requirements in investment programs, although these have been liberalized to some extent in recent years. These are some of the problems which the commission has faced and generally recommended should be remedied by the removal of what they regard as outmoded concepts of sound financial policy allowing more viable controls for the protection of the public so that the price system may have fuller influence in the determination of the allocation of funds to the development of resources."

Then further on in this same report they give us some idea as to how it could affect the credit unions as to their constitutional -- whether they're legal under our constitution or not -- and the report touches upon a very thorny problem which have come increasingly to the fore as the Caissis Populaires, which are the French credit unions, and credit unions have grown. That is the constitutional issue. The Commission itself does not deal with this issue on legal terms but rather has looked at the problem from an economists point of view. It is therefore difficult to anticipate the legal forms which may be developed if the whole or any portions of the Commission's report are acted upon by the Federal Government and to anticipate the variety of constitutional problems to which those forms may give rise. So far we have been able to avoid this issue in the courts based on the limited extent to which the Parliament of Canada has exercised its exclusive jurisdiction to legislate with respect to banking, the incorporation of banks and the issue of paper money by applying limitations to the chartered banks.

If The Bank Act is amended as proposed by the Commission to cover substantially all

(Mr. Froese cont'd) deposit-taking financial institutions, (a) We will need to watch carefully that any amendment does not directly or by necessary implication define banking so as to render provincial credit union legislation ultra vires; (b) We should consider whether by in some measure bringing our central type organizations under the Bank Act or other federal legislation although not on the basis proposed by the Commission, we can obtain sounder constitutional foundations for credit unions and Caisses Populaires as financial institutions. I would remind you of the constitutional opinion obtained by the Government of Saskatchewan before The Co-operative Credit Associations Act was adopted. These opinions stated, after expressing the view that the Saskatchewan Provincial Credit Unions Act was within the powers of the provincial legislature, that "The pith and substance of the legislation however is not banking as there is no federal legislation conflicting with the aspects of banking dealt with by The Credit Unions Act. It will remain entirely ultra vires until such time as the Federal Parliament legislates in such a way that there is a conflict between the federal legislation and the aspect of provincial legislation dealing with banking. If and when that arises the operation of the provincial legislation in conflict with the Dominion legislation will have to give way. This must be a paramount consideration in dealing both with this report and any legislation amending The Bank Act. Much as we might be tempted to bury our heads in the sand and say, "Leave us alone" we cannot really afford to do so. As to the other aspect of the problem, that is the impact of the recommendations of the Commission, supplemented on Credit Union and Caisses Populaires operation and structures, there are a wide scope of problems arising out of the report with which we must be concerned." And then this report goes on and deals with those various aspects of it and its also dealing with finance companies, trust companies and so on, how they will be affected. Apparently trust companies won't be affected nearly as badly as Credit Unions and Caisses Populaires. This is what the report is striking at.

I might quote from the summary of that same report the following: (1) It would appear that of all the so-called near banks Credit Unions and Caisses Populaires stand to suffer the greatest shock from the Commission's recommendations if implemented, that they be required through centrals to maintain interest-free deposits with the Bank of Canada; (2) the effect of the proposals with respect to the chartered banks (a) that the six percent ceiling be removed (b) that they be empowered to enter the conventional mortgage field and (c) that their deposits with the Bank of Canada be reduced. Taken together with the recommendation that the CMHC financing be greatly curtailed and the sale of Canada Savings Bonds likewise be curtailed would give to the banks not only a very increased power to attract deposits but also to compete even more strongly in the personal loan field, to re-engage not only in the NHA mortgage field but extensively in the conventional mortgage field. As Credit Unions and Caisses Populaires both traditionally and by legislative restrictions are limited to those types of financial assistance to their members, personal loans and mortgages, they, more than any other financial institutions are likely to feel this competition by the banks. They do not have the machinery, nor are they empowered to enter into other types of financial activities such as other financial institutions are now engaged in or have power to engage in. The recommendation that qualified credit unions and Caisses Populaires should be approved lenders under the NHA would not provide any real relief; and (4) despite the Commission's claim that it has made its recommendation with regard to banking regulations on the basis of equality and not on the basis of need for monetary control or liquidity, the practical effect of its recommendation would appear to be to restore the chartered banks to their former position of a virtual monopoly on the deposit business by the elimination of the new banks as competitors for those funds, and at the same time giving to the bank new lending powers to permit them to utilize deposits in areas of lending, to replace their old dependence upon being mainly commercial lenders from which position they have been displaced by new types of institutions and the development of money markets."

There are further paragraphs under this summary section but I don't think they should be quoted here at this time because they refer to other matters.

Now, in this report that I have just read some excerpts from, we are able to explain what the effect will be on credit unions should these recommendations go through. They also explain the effect the recommendations would have on the provinces in connection with the increased or relieving them of the feeling on interest rates. Then it poses a question as to if

(Mr. Froese, cont'd.) . . . the recommendations are adopted this would be a fine wedge to declare our provincial credit union legislation as ultra vires. It also mentions in the summary that the aim of the proposals is for the banks to regain complete control of the monetary system as a monopoly, and in this way it strikes very hard at the Credit Unions and Caisse Populaires in particular.

The recommendations in this report also stipulate the requirements that would be placed on credit unions that they would have to meet and some of these are, first of all they would have to have a consolidated balance sheet for all the credit unions of this province. This would have to be filed with the federal government. They would be required to place an eight percent deposit with the Bank of Canada just like the banks have to do at the present time. There would be no more banks loans to credit unions from the banks because under the statute they would then also receive the power to create credit; but it would also mean that the boundaries of our credit unions, the areas that are defined in the charters from which they draw their membership and draw their business from would have to be abolished, would no longer be there, and credit unions as such would just become another bank branch system, so that within a short matter of time we would no longer have a credit union movement as we have it today. Therefore the representatives of the credit union movement of this province are opposed to the recommendations and I think this government should also give consideration to those very recommendations because I would like to hear from them why is it that we have to bring out these matters. I think we should be told by the government what the recommendations will do to our movement. They should provide us with an analysis as to what the effect will be if the recommendations go through and I would request most urgently that the government does employ people who are qualified and who can give us analyses of the report and provide the members with such an analysis. It's only to their benefit if they do so and since this is going to be more or less the "bible" of the banking firms in this land of ours, and for years to come, I think we should know just what the implications are and what it will have to do on the general economy of this province and on this country.

Now Madam Speaker, I have one other matter which I feel should have been aired or should have been brought to our attention and given some explanation by the Minister. This has to do with the Pembilear project, as we know the International Joint Commission has this under study and recently I was across the line and I picked up a paper and here it said, "IJC", that's the International Joint Commission "to hear three plans on Pembilear project." Apparently they have three different propositions to make now on this Pembilear River Dam that they are proposing to build. The costs are supposed to be in the vicinity from \$28 million to \$40 million differing on the type of plan that they will go into. It mentions also that a meeting will be held in Ottawa this coming October where the plans will be discussed and I take it that they will also decide on a course of action as to which will be decided on and acted on. So, Madam Speaker, I feel that this House should be informed by the Minister concerned of these projects, of the different courses that are open to us so that we in this House, the members of this House are informed of what's going on because certainly the people of this area are informed through their press; why can't we be informed in this province in connection with this project. I feel we're entitled to it. Those are briefly the points I intended to raise. Once more I would urge the Premier to adopt a pay-as-you-go policy, not to flirt with dividends until he's paid the provincial debt and in that way we will not need to impose new taxes.

MADAM SPEAKER: The Honourable Member for Inkster.

MR. M. GRAY (Inkster): Madam Speaker, I would rather talk tonight about the sentiments or probably another word used by the last speaker. It would seem that the First Minister has allowed him some time indicating his agreement with what he has said and listening to the Honourable Member from Lakeside today about the high compliments to the last speaker I feel that if I do say anything about his address it would be putting my head in the lion's mouth, and I'm not yet ready. So I'm going to confine my remarks solely not to the sins committed by the present government, or not committed. They have done good work and any time they did a good job I praised them, probably against the wishes of the feeling of others, but I'm going to make my brief contribution tonight solely in connection with the tax. I could have spoken under another item but I do not want to take a chance to miss an occasion to speak at the present turmoil of the session where the First Minister is naturally entitled to have the

(Mr. Gray, cont'd.) . . . first say. He could change around the Orders of the Day anyway he likes. So I'm just going to confine to these few remarks for which I have made notes of it, so that I could not insult him more than I intend to do tonight.

When a former Premier of Manitoba, Mr. John Bracken, was offered the leadership of the Conservative Party, he insisted that the word "Progressive" be added to the name making it "The Progressive Conservative Party." That title should be changed again, as far as Manitoba is concerned at the present moment. It can now with every justification be called "The Regressive Conservative Party. A more fitting title would be the "Most Regressive Party in Canada." Practically every proposal made by the First Minister in connection with the tax bill is regressive. It hits those in the low income groups harder than those who have higher incomes. The family with an income of \$200 a month will have to pay just as much extra out of that low income for every bit of electric light and power; for the use of a telephone; for every gallon of gasoline, for every package of cigarettes, and for every bottle of beer or liquor. This small income family will have to pay just as much extra for every unit of those items used as a family with ten times the income.

From the point of view of a truly democratic society this procedure is absolutely wrong. The position of the old age pensioners and all others with low income is made worse and worse, and the gap between the income groups, instead of being narrowed is widened by this form of legislation. This is in direct violation of the principles of democracy. It is in direct opposition to all the efforts that are being made not only in this country but throughout the world, to improve the position of the "have-nots" in our community. These proposals made by the First Minister are the worst that I have ever heard in this Legislature, or in any other governing body, in my half-century of public life.

Not only are the tax proposals bad and regressive, it is the worst sense of the term, but unscrupulous tactics are being adopted in my humble opinion to cover them up by bribing the taxpayers. The proposed 50 percent rebate on school taxes is just a bit of a bait and at the same time a cover up in an attempt to conceal the unfair extraction of cash from the people's pockets to pay for the government's services. At the same time the government is refusing to accept its proper responsibilities. It is dodging them. No mention has been made of assuming the costs of public health and welfare as recommended by the Michener Commission, and the education tax is an attempt to cover up the fact that the government is dodging its responsibility with respect to education as recommended by the Michener report. The proposals made are, in fact, in direct violation of the principles which guided the Michener Commission. Here are some, a few -- I've read it and it's right here. On page 28 you'll find the "municipal government should be re-constituted, so as to be able to discharge their responsibilities independently, without having to rely on subsidies from senior governments." On page 4 of the Commission report you'll find "Because of this sharing of costs and responsibilities and the system of conditional grants in aid, local governments have ceased to be masters of their own houses. They tend to be mere agencies of the Provincial Government. This confusion of function and trend toward centralization is not good for the province, the municipalities, nor the people of Manitoba." On page 170 you will find that "Both the Ontario and British Columbia systems subsidize home owners through the municipality. This involves provincial interference with municipal fiscal autonomy. We have sought to avoid subsidies, particularly those involving large scale transfers, and we are not persuaded that they should be used in this way to encourage residential preferences."

These subsidies to taxpayers to a maximum of \$50 toward payment of school taxes are just a blind. The tax bills include taxes for services other than education and if a taxpayer gets \$50 from this government it goes toward payment of his whole tax bill, not just his education tax. The First Minister says that such direct grants preserve strongest incentive for local government responsibility. That's just a lot of baloney. The direct grants made in the Winnipeg School Board do not have the slightest influence on the City Council's sense of responsibility. But, if this government were to implement the recommendations of the Michener Commission and assume the cost of health and welfare and also assume greater share of the cost of education, which are properly the responsibility of this government, then the municipal taxes could be reduced; the municipal councils would have the responsibility of reducing them plus the continued responsibility of keeping them as low as possible. Further, if this course

(Mr. Gray, cont'd.) . . . were followed, then the responsibilities of the two levels of government could be more clearly defined, and the municipal councils would get a much clearer picture of their financial position, and would be better able to determine their course of action. This proposal of the government just confuses things; as I said before, it is just a dodge to cover up the fact that this government is avoiding its proper responsibilities with respect to education. Further, it gives no relief whatsoever to the family that pays taxes in the form of rent. Renters pay the taxes of the property owners, but only the property owners are going to get the rebates. The big group of families, most of which are in the low income group, because they cannot afford to pay for homes of their own -- and by the way which the last speaker has advocated -- will derive no benefit whatsoever.

The fact that the government is ignoring and even penalizing those in the low income groups and is favouring the wealthier sections of the community is also made evident by the proposal to reduce personal income tax. This is of no benefit whatsoever to the individuals whose earnings are so low that they are not subjected to income tax. It aids those in the low income tax groups who can pay some income tax only very slightly, but can save substantial amounts for those with higher incomes. Again, instead of striving to close the gap between the high and the low income groups, this proposal is making the gap wider still. The First Minister indicated that over \$20 million will be raised from the additional taxes but only \$8 million will be returned in tax rebates to the people. Again, he is using these rebates -- if I am in order, I'd say it's a bluff to cover up the fact that he's taking an additional \$12 million out of their pockets, not for the purpose of implementing the recommendations of the Michener Commission but for the expanding of other areas of government work.

The basic principle of the sales tax is wrong. It is based on taxation for use, not on the principle of ability to pay. If the principle of taxation for use is generally applied only those receiving education would pay for education (a principle that was ditched a hundred years ago). Only those who use hospital services would pay for them. Only those who need medical care would pay for it. Only those using the highways would pay for them. There's an opposition to the sales tax but I think this tax is purely and simply a general tax. A very large percentage of the people of this province have low standards of living, with bad housing, unhealthy environment, and poor education. No thought whatsoever is given to the improvement of living standards. Quite the contrary, in fact. The overall effect of these proposals is to drag those living standards down still further, and if it's not their intention their action seems to me is towards it, and in the long run will have a detrimental effect on the economy of this province. The proposals now made cannot be too severely condemned.

Madam Speaker, this is my opinion, this is my contribution towards this tax and I feel that the proposal is entirely, I wouldn't say only wrong, but not seriously considered by the government.

MADAM SPEAKER: Are you ready for the question?

MR. JOHN P. TANCHAK (Emerson): Madam Speaker, I move, seconded by the Honourable Member for La Verendrye, that the debate be adjourned.

Madam Speaker presented the motion.

MR. ROBLIN: Madam Speaker, I wonder if before my honourable friend places his motion whether anyone else in the House wishes to speak because time is running out on this particular debate and I wonder if he'd let anyone speak rather than adjourn it.

MR. TANCHAK: Madam Speaker, I have no objection.

HON. STERLING R. LYON, Q. C. (Minister of Mines & Natural Resources)(Fort Garry): Madam Speaker, I would like to make a small contribution tonight to the Throne Speech debate and to pass on a few remarks about some of the comments we have heard, good and bad, about the government, over these this past week. I'm not going to dwell at any length upon the speech of my honourable friend, the Leader of the New Democratic Party. I realize that he is still in a state shall we say of political mourning for what happened to his confrere in Saskatchewan and until he emerges from that state of shock I think we should all treat him rather kindly in the House and understand the situation in which he now finds himself.

MR. RUSS PAULLEY (Leader of the New Democratic Party)(Radisson): Madam Speaker, if I might correct my honourable friend, I mourn for the people of Saskatchewan.

MR. LYON: Having regard to the government that they elected they may need that too.

(Mr. Lyon, cont'd.) . . . I don't intend to dwell at any length upon the speech delivered this afternoon and this evening by my honourable friend from Rhineland. It's always interesting to hear his philosophies on banking and social creditism and we had added this afternoon to the galaxy of the qualities for which he is known a new one. We now know that he is Manitoba's Barry Goldwater and we are happy to see him endorsing those right-wing policies which we always rather suspected he harbours in the back of his mind.

I might say the same about the speech delivered some time ago by the Leader of the Opposition because really it could be dismissed in a word or two. It was a short speech he said because the Throne Speech was short and he pulled out of his old political hat trick bag a number of old political dog bones that have been well chewed over and with no meat left on them threw them onto the floor of the Legislature again and had another go at them. So really his speech could be dismissed in that way but I think that there are some of the remarks that he made that we should take a look at because after all he is the Leader of the Opposition, he does represent the Party which holds itself out to the public of Manitoba as being the alternative to government in this province, laughable as that may sound to most of the people in Manitoba -- But we do have to pay some attention to what he says from time to time. Well I regret to say that he didn't take any advice from me that I offered freely, gratuitously in the last Session to him. I told him at that time that I thought the speech he delivered on that occasion was a clutter of lazy inaccuracies and low and behold he comes back this Session with a shorter speech but cluttered with a number of the same unfortunate, lazy inaccuracies. Nothing very constructive to offer but I must confess I must pay him this tribute that he was in good voice and I always enjoy hearing my honourable friend even though as usual he had very little to say. I think it's important to notice all of us that his attention these days is rivetted entirely on the Province of Manitoba. He doesn't raise his eyes beyond the political boundaries of this province; he doesn't talk any more about Ottawa because he knows what a mess there is down there, and he has no more gratuitous advice or comment for the government about Ottawa should be doing about this, that or the other thing. And so it's refreshing to see him now concentrating upon the problems in Manitoba and giving us the benefit of what advice he can offer.

Well, I would suggest, Madam Speaker, that we still have a continuation by my friend, my honourable friend of opposition by news clipping. Have you ever noticed that the government in this province is always harangued not on the basis of some new original philosophic thought that is emerged from the Liberal Party but rather on the basis usually of some tattered press clipping that's pulled out of a bag somewhere and didn't you say this, or didn't you say that, or I said this or I said that, according to the Winnipeg Tribune, the Winnipeg Free Press, the Gladstone Age or whatever paper seems to suit him at the time. This of course, this opposition by news clipping is very interesting, it doesn't really present the government with any challenge. I'm not saying that he should stop it, because we really don't worry about it too much but at the same time I suggest to him that a man who aspires to be Premier, 10, 20, 30 years from now should really provide something more than news clippings to edify the House as to what his party is thinking about. I asked him last spring when I was speaking, I thought in a friendly and constructive manner -- I always try to be that way to my honourable friend -- to provide a little responsibility in his approach to the affairs of this House, to at least pay some lip service to the doctrine of consistency from time to time, to provide if he could, an alternative program here and there. Because you know on this side of the House we don't claim to have all of the grey matter in the political life of this province. We know that we don't possess all of the original thoughts in the political life of Manitoba. We can gain by good advice which is given from time to time from across the way but we search for it, I'm afraid, in vain, when we come to listen to my honourable friend the Leader of the Opposition, because we very seldom, if ever, get it.

Well, what did we get this session? Some of the same old tired slogans, two that I noticed in particular -- arrogance and dictatorship. I think those were plagiarized from his friend the Member from St. Boniface because he is forever claiming that this government is arrogant and dictatorial one at that. And we had a little bit of grandstanding and I'll come to that a little later on to give you an example of what I think is Molgat grandstanding at his best. And there is some of it in this Speech that he gave us last week. I must pay him some

(Mr. Lyon, cont'd.) tribute. I talked about alternative programs in the last session and he didn't bring forward any. But this session he has by his own words brought forward some alternative programs for the people of Manitoba to consider. We have them now on the Order Paper of this Legislature. Three resolutions, four resolutions presented with much fanfare immediately following my honourable friend's speech, three of which call for three more committees of this Legislature to sit and do work that already constituted committees can do, and a fourth one to provide for a bookkeeper whom he is pleased to call an Auditor-General. Well there's a wonderful program for the people of Manitoba, three new legislative committees and a bookkeeper. And that is the form of alternative policy that is being offered by the Liberal Party to the people of Manitoba. I say to him, thanks for trying, but I say to him again most sincerely he will have to do better than three legislative committees and a bookkeeper if he's going to win that kind of support that he dearly wants to from the people of Manitoba.

Well, let's look at his speech -- let's look at my honourable friend's speech. First of all he came up with, I suppose what could be regarded as a logical approach to the session, he says why have a session at all. He objected to the session. Well that's a particularly well worked over ploy by most opposition parties because they never have the pleasure of calling a session, they come when the session is called by the government. That's the way the system works. But it always helps, I suppose, for the opposition to say, why are we here. He objects to it I suppose merely for the sake of objecting. He says that he is in favour of tax relief to the home owners and people of Manitoba from municipal taxation, and yet he goes on further in his speech, he says, he won't vote a nickel of extra taxes in order to provide this relief. Well there's another example of eminent consistency by my honourable friend. Oh it's true he advances some reasons; he says that he doesn't trust the government but the people of Manitoba have known his particular view on that subject for a number of years and have cast their opinions on it so I think he'd better get off that well-worn track. He says the government is wasteful and that's presumably why he doesn't want to vote another nickel to the government. But at the same time he doesn't produce any evidence of waste. He merely makes a blank statement and says he's not going to vote for more taxes but at the same time he feels there should be tax relief to the home owners of Manitoba -- a nice consistent approach.

Well, what is my honourable friend's view about the Special Session? He objects to this Special Session. He says there is no urgency, we could have come here in January and voted all of the taxes in the regular session and by the time the rebate came in June or July, why the rebate could have gone out and so on and so forth. Well that's all fine and dandy if you're a member of the opposition and you haven't got any responsibility for raising the money and all you have to do is sit and cackle about how it is raised. But at the same time he must pay some attention to the fact that money must be raised if the relief which he has been touting about the province for so many years, and with which we agree, that the relief can be given to the municipal taxpayers of Manitoba. And so the one follows the other. I believe the Honourable the First Minister stated the very basic proposition when he was announcing the new program of the government. He said that if municipal taxes are to go down, provincial taxes must go up. There's nothing very startling, nothing very outstandingly new or unique about that principle. I think it will be found to hold water in practically every form in which it could be debated. But my honourable friend says no taxes but tax relief at the same time. Well, when he was talking about special sessions, this was about approximately nine months ago, you will recall he pulled out another bone from his political dog bag and had thrown it unto the carpet and was talking about the robbery of the government in taking money from Old Age Pensioners -- remember last November, last December -- and he called at that time for a special session to discuss a problem that had been settled and explained, an election had been gone through with that as a subject of debate during the election but he wanted a special session to discuss it -- this was only nine months ago. A trumped up sort of a political charge that he wanted to talk about, he wanted to have a forum, the Legislature of Manitoba, and at that time there was nothing wrong with calling it together provided they talked about this particular subject. I must say in deference to my friend the Leader of the New Democratic Party that it was his idea first because he was really the one who called for the special session. But my honourable friend the Leader of the Opposition came along a little later and with his usual "me-tooism,"

(Mr. Lyon, cont'd.) . . . said "me-too", we want one too only we didn't think of it first -- it was that fellow Pauley who thought of it first. Well, he objects to the special session called by the government but nine months previously with his usual deference to the doctrine of consistency he would have called one on an issue that was already settled, an issue that had already been debated and solved.

MR. GUTTORMSON; Come on Red, you can do better than that.

MR. LYON: Well -- my honourable friend from St. George says I can do better than that. Given the speech of the Leader of the Opposition to work from I doubt very much if I can. I must confess to him that I feel as though I'm punching a lot of air tonight because . . .

MR. GUTTORMSON: You sure are!

MR. LYON: . . . because there wasn't much in that speech, there wasn't much in that speech that caused any concern on this side of the House.

A MEMBER: Try reading it.

MR. LYON: I believe it was the former Right Honourable Arthur Meighen, the late Right Honourable Arthur Meighen, when he was Prime Minister who made the statement once when McKenzie King I think first spoke as Leader of the Opposition in the House of Commons he made the statement, he said the courtesies of debate require that I make some response to the speech. I'm no Meighen but I feel something like him tonight in replying to my honourable friend the Leader of the Opposition. He went on to another charge. He said the government didn't know where it was going. He purported to make some quotations from newspapers, this time of ministers of the Crown who had made a few statements at municipal meetings throughout the province. He said the government is in a state of total confusion. This was after the House had been called together, the Speech from the Throne had been read, all of the legislation encompassing the government program had been placed before the House, the tax measures were clear and yet in his view of things the government was in a state of total confusion. Well let's examine that one for a moment. Who was in a state and who is in a state of total confusion in the political scene in Manitoba today? Well I want to suggest, Madam Speaker, that my honourable friend is in a pretty bad state of political confusion today because he has been predicting and hoping for, perhaps even praying for, the imposition of a sales tax by this government for months and years. He's fought two election campaigns on it --Aha don't elect those Conservatives they're going to impose a sales tax -- and he went around the province during the last election, 1962, oh they're going to put on a sales tax, trying to make an issue of it again. He contributed to the talk that went on this summer in the newspapers about sales tax and so on, and he was firmly convinced after reading the Michener Report that his prognostication at long last was going to come true -- the much vaunted sales tax that he had been pointing to was going to be there and he could then go out to the brave people of Manitoba and say, "Look, I told you so." Well, he came into the House the other day, Madam Speaker; he listened to the program as was enunciated by the First Minister, he saw the tax bill that was presented and lo and behold he didn't see his sales tax, and talk about a thunder clap striking a person! There it was. Madam Speaker I want you to conjure up in your mind just what has been going on in the Liberal Party over the past several months. They were convinced there was going to be a sales tax in Manitoba. Absolutely, finally convinced. There was no way out of this great financial dilemma that they had created for the government and that the government would have only one recourse, namely to have a sales tax in Manitoba. Their whole strategy of opposition has been based on the imposition of a sales tax in Manitoba. They wrote speeches about it, they've been preparing them and honing them and polishing them and getting them refined to the point where they would meet the attention of everybody in Manitoba. They have been practising stern looks before mirrors so that they would appear appropriately responsible and so on when they appeared before the all-seeing eye of television. Their stern visages were turned this side and that side and when they mentioned sales tax the wrinkles showed and the glare appeared, and even I suppose the Diefenbaker finger was practised a bit in order that they might get into this talk and these speeches they were going to give all of the histrionics that they could possibly muster together -- in opposition to what? In opposition to a sales tax. Well now, Madam Speaker, just imagine the consternation, the confusion, the utter disarray, that struck the camp opposite when this House opened on the 17th of August and they found that the speeches were all dying, that the stern visages

(Mr. Lyon, cont'd.) . . . were of no use, that the practised stern looks and so on were not going to be used because they'd been foiled -- foiled -- their strategy hadn't worked and what they had prognosticated for Manitoba had not come about. And then, Madam Speaker to add insult to injury, what did this government do? Not only did it fail to impose the sales tax that the Liberals wanted -- and when I say "Liberals wanted" I mean they wanted it for campaign purposes -- not only did they fail to impose that sales tax but lo and behold along came a householders' grant to relieve the imposition of school taxes at the same time.

MR. DESJARDINS: You mean a bribe don't you?

MR. LYON: I don't think in quite the same terms as my honourable friend from St. Boniface, and

MR. DESJARDINS: No you don't, no you don't. The people do.

MR. LYON: I must defer to his knowledge of the subject of bribery because he would know more of it than I.

MR. DESJARDINS: That's right. I've had it -- I've seen it for five years.

MR. LYON: Well, you talk about consternation and confusion. There we have been witnessing for the past week. I hope that we are soon going to hear my honourable friend's comments on the tax bill. I can well understand that he would require a week to phrase his remarks on this particular bill because his waste baskets have been full during the last week with old speeches on the sales tax being carted out while new ones were being written.

MR. MOLGAT: Madam Speaker, I wasn't aware that the government went through opposition waste baskets to find out

MR. LYON: Madam Speaker, we don't have to go through the waste baskets. We just listen to the House and we know -- we know what's happening from listening to them in the House. Well, there were a number of other items that my honourable friend was pleased to mention in his speech, some of which we can dwell on at a later date but I thought some of these thoughts should be expressed tonight and I should really tell my honourable friend that while he is coming along -- because he did present that great alternative program, those three legislative committees and a bookkeeper -- while he's coming along, he still has a long way to go. And we want him to be there for awhile; we want him to keep doing the job a little bit better each year so that there won't be too many growls from behind him. I think he's a promising young leader of the opposition and we want to see his techniques improve. He mentioned on one occasion that the Liberals were going to be out in full force for this session even though he didn't think it was a good session.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): When did you start saving clippings?

MR. LYON: I started to save clippings as sort of a defence mechanism against what was coming from the other side of the House, because my honourable friend seems to make his speeches on the basis of them I thought I'd better start gathering some of the speeches that he'd been making to the press so that I would be in a position to rebutt him from time to time.

MR. DESJARDINS: . . . got those with sales of beer in grocery stores? They make good reading.

MR. LYON: My honourable friend wants to talk about beer in grocery stores? Well that's a very interesting topic and I'll be quite happy to debate it with him any time. I'm sure that we can tell all of the groups in Manitoba that he would be in favour. -- (Interjection) --

Madam Speaker I must say that having gone through this speech a number of times that I commend him for his brevity. There is very little else that I can say about it, but I do hope that he will continue to work at this job that he presently holds and that in future sessions to come we will hear something about new programs for Manitoba, not just three legislative committees and a bookkeeper.

The people of Manitoba quite seriously Madam Speaker want to know something about the Liberal Party. They want to know where they stand on road building. They want to know where the Liberal Party stands on education in this province. They want to know what sort of an alternative program they would present if they had the opportunity to form the government of this province. They want to know with one voice, not with four or five that we presently hear, what is the view of the Liberal Party on social welfare because they know what the view of this government is, the policy is enunciated, it's in legislative form, it's

(Mr. Lyon, cont'd.) administered and practised throughout the Province of Manitoba. They want to know what the policy of the Liberal Party is with respect to the management of our natural resources. They want to know what the policy of the Liberal Party is with respect to land use and all of the tremendous ramifications that flow from that subject today. They want in other words, Madam Speaker, to hear something concrete and constructive about the real issues facing the people of Manitoba today. It's all very well to have this transom-peeking and to have this key-hole looking from time to time but what about the constructive things that an opposition is supposed to be looking for? What about the constructive side of government? What about the constructive side for that matter Madam Speaker, of Parliament? What about providing or making of this forum a place where the policies of this day and age in our province can be discussed by men of honour and in an atmosphere that is better than the one we enjoy in the House at the present time.

These are some of the serious things I think we should be paying attention to in Manitoba today, and so while we have a little bit of fun from time to time, talking about the errors and omissions and so on of one another, I do seriously say that I hope those on the other side of the House, particularly those in the Liberal Party, will remember that they have a responsibility to the people of Manitoba just as we do on the government side, a responsibility to provide or to show those people what alternative programs they could provide if they were ever given the chance to form government and I think if we had debates along those lines then we would have a Legislature which would be providing a better service than we are today for the people of Manitoba.

MR. DESJARDINS: Madam Speaker, I wonder if the Honourable Minister will permit a question? If five percent tax on electricity, and five percent tax on telephones, three cents on each gallon of gas and one cent on any fuel and five cents on cigarettes aren't sales tax, would he tell me the new name they've got for them?

A MEMBER: tax.

MR. DESJARDINS: Oh, thanks very much.

MADAM SPEAKER: Are you ready for the question?

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MR. SCHREYER: Madam Speaker, the Minister of Mines and Natural Resources has indicated that he would like once in a while to obtain some advice and constructive criticism from this side of the House and I for one accept his challenge and will try to accommodate him, but before I do try to offer any advice of any kind I just want to attach or add a small preface.

It seems to me that I can best begin, Madam Speaker, by saying that six years and two months ago the Premier of Manitoba went on television and in the flush of victory he announced, or proclaimed to the people of Manitoba that the sales tax was, to use his own words, "as dead as the dodo" --the First Minister. Now we all know that to be as dead as the dodo is to be quite dead, in fact incapable of being brought back into reality, but events of a changing society, a complex society having to meet new changing and costly needs and services have caused provincial spending to go up a good deal. Of course for a while the Dominion Government has shown willingness to bail out the provinces from time to time and seemed willing to meet their hungry demands, if I can use that expression, but I think that in this year of 1964 we can see signs that Ottawa, both in terms of Liberal, Conservative and even New Democratic party politicians, they are showing signs of beginning to resist these continuing and continuous provincial demands for more and more money, and so the provinces are going to have to make better use of their own tax revenue sources.

It seems to me that there is such a thing as a point --eventually we will come to a point beyond which any more drain on the federal treasury is likely to undermine the Federal Government's capacity to deal with fiscal and economic crises of any kind, and so I for one, and I think more and more Canadians, more and more newspapers, even the Free Press I notice has run an editorial on this matter of growing concern, namely, are we coming close to that point where any more provincial demands on the federal treasury might mean undermining the Federal Government's fiscal capacity to deal with economic crisis and to stave off recession, depression and so on. It seems to me that we are getting close to that point although as I said there is no precise number or figure that one can give, but I think that we all have to consider seriously the fact that we are coming close to it.

Now of course it seems that the Government of Manitoba in trying to make better use of tax and revenue sources has opted to try and bring about some sort of shift in taxation in this province, presumably to give taxation in this province a more equitable and fair base. Now that was the purpose of the Michener Commission and that seems to be the intention of the recommendations of the Commission, and that would on surface seem to be the intention or the intent of this government in introducing Bill 2, and in fact in calling this session in the first place.

But if taxes are to be shifted, Madam Speaker, and if new taxes are to be levied, that is the time to attempt to make the new taxes, to try and base them on the most equitable basis possible, and what is a more equitable basis, I ask you, than the basis of ability to pay? I don't feel for one moment that the effect of Bill 2 is doing anything of the kind. It is not bringing us any nearer to the ideal of ability to pay in taxation. If this is the ideal of this government, let them say so and let them try to arrive at that ideal. If it isn't the intention of this government to strive for that goal let them say so so that the people of Manitoba know where they stand with this government. We have so far heard neither an answer in the affirmative or in the negative as to whether it is in fact the intention of this government to strive towards the principle of ability to pay in taxation, and I think that it is time we heard.

At this point I think I would like to take the next 30 minutes or so, perhaps not quite that long, to give this government some good advice. It is not the advice of an elder statesman such as is the member for Lakeside, but it is the advice of one who has become disillusioned with part of our political process and who therefore considers himself to be unsuited by temperament to remain a politician. The member for Lakeside warned the First Minister the other day that if he persisted with Bill 3 that he would be making the biggest political mistake of his career. I don't know if that is an accurate statement or not, but I think I can say this, that if the First Minister persists with Bill 2 and the intent of the new tax measures that he will be making the second biggest mistake of his political career. Because, Madam Speaker, as I read through the bill and as I read the speech of the First Minister dealing with these tax measures, I got the distinct impression that these were proposals of a government and a cabinet that had no firm philosophic foundation. I got the impression that these were the

(Mr. Schreyer, cont'd). . . proposals of a cabinet or a government that was committed to nothing else but pure pragmatism and the success that often goes with pure pragmatism.

So I say that this government is not a principled government, and I mean that in a political and philosophical sense, not in a moral one or in a personal one. Obviously not, although to read some of these press clippings that the Minister of Mines likes to refer to, I got the impression that some cabinet ministers were cavorting up around up north in hunting lodges and so on, but I take that with a grain of salt. Well I shall leave that to the debate on the Grand Rapids Resolution, --(Interjection)-- no, no, I was merely saying that I didn't take very seriously that account that appeared in the Free Press having to do with that statement by that individual who had been let go by that firm that had been working at Grand Rapids. But I found it amusing because the implication --I don't know if it was deliberately planted or not-- but the insinuation of the article was that some cabinet ministers were cavorting about up north and I thought perhaps there were dancing girls there, belly dancers --I don't know-- (very amusing.)

Which brings me, Madam Speaker, to the point where I want to analyse the taxation policy of this government and its intent in calling this session. This government has found itself on the horns of a dilemma, and it is on the horns of a dilemma for the following reasons: First of all it has, ever since its inception to power, it has embarked on a master spending program. That is point one. Point two: It has not found itself able to commit itself to a philosophically consistent taxation policy, which policy is necessary to sustain high rate of spending such as it is attempting to do.

Now the Conservative Party until 1955 tried to remain fairly true to its name both in a political and an economic sense. But in 1955 the Conservative Party in Canada, in all the provinces and of course at the Federal level, the Conservative Party in that year through whatever conservative spending policies it may have had to the four winds. It embarked on a path favouring massive spending, increased welfare and more government activity. That is the year roughly corresponding to the time of the dissension from power of George Drew, Earl Rowe, Maurice Duplessis, and some of the old guards; and it marks the ascension to power of Diefenbaker, Alvin Hamilton, and others in that camp. It is also the same year that the present premier of Manitoba made an abrupt about-face from criticizing the Campbell government for incurring too high a debt to a policy of berating the Campbell Government for not spending enough. And so 1955-56 becomes very important.

For a while, I must admit that this change in heart, or at least in policy was in the short run, in the short term, a successful change beneficial both to the Conservative Party and beneficial to the people of Canada and the people of Manitoba, particularly here in Manitoba where for several years the province had been languishing in underdevelopment, both of resources, in the lack of educational facilities, in the lack of good roads and of access roads. Unless it be thought that access roads are perhaps not a major matter, of major interest to people in rural Manitoba, I want to say this, that for those people in rural Manitoba who might now be inclined to think the Liberal Party to be the lesser of two evils, that they should merely think back to a few years ago when every time they crossed the street of their village they ended up spitting dust. This no longer is true and this should not be forgotten. There are only a few villages left today with their main streets in such condition and let us hope that this will be dealt with and improved in due course.

But I am digressing, Madam Speaker. The point I was making was that the Conservative Party in Canada, at all levels, had committed itself to a change, namely, to one of massive high rates of spending; but at the same time it did not follow it up with any thought through plans, no philosophical guide lines or convictions. This is their weakness today and this is their problem today. When we look at the Conservative Party functioning at the federal level we can see the trouble they are in, and when we look at the Conservative Party in Manitoba today we can see the trouble that they are in; and, in fact, the trouble they are in now is merely a slight manifestation of what is to come.

For a while the Conservatives here in Manitoba thought that they could simply go on spending as much as they liked and that they would pay for it by simply improvising as they went along in so far as raising revenue was concerned. Besides, Ottawa seemed quite generous. But eventually the day of reckoning was to come, and when that day of reckoning

(Mr. Schreyer, cont'd). . . was to come the government here was going to have to do one of two things: either it was going to have to curtail its spending if it wished to retain any meaning to the word conservative; or secondly, it would have to levy more taxation on high income sources, those with the greatest ability to pay, in order to meet its continued higher level of spending. If it chose this latter course, Madam Speaker, it would have meant a transformation or perhaps a transmutation of the Conservative Party in Manitoba, and to a party distinctly committed to the ideals of Twentieth Century liberalism or social democracy.

But the Conservative government of Manitoba, Madam Speaker, has fooled all of us because it has taken neither of these two logical courses. It has not rededicated itself to conservatism as has the republican party in the U. S. --perhaps the member for Rhineland can help them out in this connection-- nor on the other hand has it assumed the commitment to the philosophy of the modern liberal or social democratic state. It has instead opted to remain still in the grey zone of pragmatism. It is continuing to spend like mad; it is continuing to spend as heavily as any new democratic government would spend; but, and here is the rub, they have no clear idea where to raise the money. They refuse to tax on the ability to pay principle and so they end up taxing in a will-of-the-wisp dippy-doodle fashion, hovering in and out, darting here and there, nailing here and there certain select groups of taxpayers, operating just like a hummingbird in flight; and the result, Madam Speaker, is a treadmill effect. Now members here know what is meant by a treadmill effect, when you walk and walk and give a good deal of effort and you end up in the same place. That's the treadmill effect.

This government commences desirable services with the end in mind of providing equality of economic opportunity, adequate health care. All these are desirable ends, but to pay for this this government is relying on taxes that fall disproportionately -- disproportionately, Madam Speaker, on the lower and lower middle income groups. Home owners are going to be given some tax relief now, only to have to pay it back in these new selective types of taxation that are being proposed here. These selective types of taxation which are embodied in Bill 2 are not related in any consistent way to the ability-to-pay principle so you will have people being taxes \$47 - \$48 additionally in the next few years to receive \$50 back, or perhaps being taxes \$52 to be getting \$50 back in their rebate..

This is a treadmill effect, Madam Speaker, and anyone who has any knowledge of the treadmill knows how foolish and wasteful an effort that can be. I know that in some of the underdeveloped countries in the world they still use the treadmill because they don't have any better means at their disposal and at least they get irrigation water out of it, but here in Manitoba what are we going to get? There's going to be stomping, stamping, sweating, and cursing as people are put on the treadmill by this government to obtain what --\$2.00 net perhaps in tax relief. In fact, Madam Speaker, I would say that these new tax proposals do not offer real relief but rather the illusion of relief.

Now let us look at each of the proposed tax changes. That is not to say that they are all bad. The one for example on mineral and resource royalty we can agree with, in fact when my leader spoke in the last general election here in Manitoba he proposed raising revenue on just such a source, and what did the First Minister do with that proposal but made it out to look as though it were the most impossible of all proposals, and now he is throwing it in as a SOP.

What about the land transfer tax? It still leaves us considerably in doubt. There seems to be some merit but it's not as equitable as a capital gains tax, Madam Speaker. Furthermore, what do you mean by a land transfer tax? It's not being levied merely on the land but it's being levied on the realty in a particular parcel, and so I suggest that it's a misnomer to refer to this as a land transfer tax, and to call it that simply because the Province of Ontario has a tax by this name is not reason enough.

As for the liquor tax and the cigarette tax, I can only say that I find myself with no opinion about it. The only point is, will it raise any substantial amount of extra revenue or are we going to push ourselves beyond the point of diminishing return? As for the gasoline tax, the motor vehicle registration tax, the utility tax, they are in my opinion --I was going to say monstrous but that's overstatement-- they are certainly unwelcome and undesirable forms of taxation. The utilities tax in particular is going to fall disproportionately heavily on people of rural Manitoba, and let us not forget that, because even at the present time people in rural

(Mr. Schreyer, cont'd). . . Manitoba are paying an amount for utility services that exceeds that paid by the people in urban areas but they are getting a level of service substantially lower. You just don't get good service on an 8 or 9 or 10 party line - telephone line --and yet the rates are fairly high. Similarly, similarly, I said --and if you're going to have some sort of surtax on the utility charges I say it will, because of the reasons I've just given, fall disproportionately heavily on rural people. In my area north of Winnipeg along the Red River is a growing suburban and ex-urban area. People wishing to avail themselves of city service must pay \$21 per quarter mile for extension of the telephone line; \$42 if they live half a mile beyond the city telephone service periphery, and so on and so forth. Will they be taxed on the additional special charges?

And so I say, Madam Speaker, that these three, particularly these last three tax measures, are inexcusable; they are inequitable; and if this is the way this government is going to go about giving tax relief to the people of Manitoba, I say to them, "Darn poor show". In fact, I could use stronger language but I suppose it would be unparliamentary. It's a poor show that's not really going to fool anyone. It's not going to fool the lower income people, be they on the farm or renting as tenants in the city. It's not going to fool them as this government would like them to be fooled by this gimmick of the tax rebate. Furthermore, if I were one of the Commissioners of the Michener Commission I would resent this report being used in the way it's now being used.

Madam Speaker, no one is really being fooled. The fact is that time, the sheer passage of time is forcing this government to decide what its priorities are going to be. It's forcing this government into the position where it's going to have to declare what its political and economic principles are, and the longer they put that off the sillier they will look because they will be forced into more opportunistic policies with each passing year. Time is catching up with them now, Madam Speaker, and it's time they realized that. You see, Madam Speaker, it's just not logical at all to spend time, effort, and money to study ways and means of giving tax relief and bringing about a taxation shift and then to follow that up with some sort of outrageous gimmickry which I find to be embodied in the spirit of Bill 2. As I said before and it bears repetition, what is the point of giving a \$50 rebate if you're going to tax the average John Q. Public \$47 or \$57 in new taxes.

Madam Speaker, this government is not being logical, but it's using gimmickry. And I say that now and in the course of the next few months the people will see what mischief is at work. As for me, I can say that this government has been caught with its logic down and its gimmicks showing. Madam Speaker, this government has been caught in a dilemma because of its lack of consistency. It seems to me I heard the Attorney-General --a correction-- the Minister of Mines and Resources rebuking some member of the Liberal Party for not being very consistent, and I would remind him that neither is his group. It is failing now to provide any sort of bold leadership. It should offer leadership in order to temper its willingness to follow popular opinion of the time. Every government has its golden days and this government certainly had its golden days in 1958, '59 and '60, and I was very impressed because at that time this government showed the kind of leadership that I am now referring about. It just didn't rely on popular gimmicks but it took the initiative to encourage and stimulate the public into accepting and consenting to much needed reform in this province and that's how come we got a reorganized educational system and that's how come we got better farm credit legislation; but now, three years later, all this willingness on the part of the government has been dissipated.

Look at this tax bill and you will have some idea of what I'm referring to. While this government still wants to embark on ambitious schemes, it has not arrived at any conclusions as to the basis for raising the necessary revenue and that's the difference between Duff Roblin in Manitoba and any leader of any social democratic party in Canada or in the Western World, the difference between Duff Roblin and Harold Wilson; or between Duff Roblin and Tommy Douglas; or between Duff Roblin and Russell Paulley.

Of course this government is still getting favourable publicity. I can only refer you to the Star Weekly of a few months ago when the cover picture was one of --I believe the freight yards here in Winnipeg. In any event the caption was "Manitoba, an Economy Highballing into the Future", and I must say that that effort in the Star Weekly was a good piece of public relations and it must have impressed the public a good deal. But just the other day the

(Mr. Schreyer, cont'd). . . Leader of the Opposition and my leader were able to use some statistics and they used them with moderation to show what? That there has been no --in fact no impressive gain in the economy of this Province of late and there is no highballing, to use the term used in that article.

The member for Rhineland earlier today was lamenting the fact that we have had a mushrooming of boards, commission, surveys and so on, and he thought that this was evidence of creeping socialism. I can't agree with his analysis of it but I would say this, that the way this government is using its boards and commissions, these boards remind me of the real board, long, hard, narrow, and wooden, and not doing very much.

So, Madam Speaker, all this rumbling noise we have been hearing lately about tax shifts, about tax relief, about the good effects of this government's economic surveys and other activities, may have created, I admit, may have created an impression of a government getting things done, but I suggest it is no longer getting real things done. It is merely giving the impression, and so all of this noise, Madam Speaker, is a false alarm. It's like the sound of a cow in labour, but it's been in labour for weeks and weeks and I still see no calf.

MR. LYON: Madam Speaker, would my honourable friend permit a question? After his long dissertation upon the philosophical background of taxation, would he be kind enough to inform the House as to whether or not his concept of a proper philosophic tax for Manitoba would be a five percent sales tax such as was imposed by his party in Saskatchewan?

MR. SCHREYER: Madam Speaker, there are historical inaccuracies in that question, but to ignore them the answer is that I would favour taxation based on ability to pay, which means an income tax based on rates, applied as a surtax if you like, on existing rates of income tax.

HONOURABLE GEORGE HUTTON, (Minister of Agriculture), (Rockwood-Iberville): Madam Speaker, I'd like to just say a word. Madam Speaker, the Honourable the Member for Brokenhead just handed me my cue when he said he wanted to raise \$20 million in Manitoba with additional income tax. You know, Madam Speaker,

MR. SCHREYER: If I might, that's not an accurate statement.

MR. HUTTON: Madam Speaker, the Honourable Member for Brokenhead in answer to the question put to him by the Honourable Minister of Mines and Natural Resources said that the way to raise money was by the income tax.

MR. SCHREYER: Madam Speaker, ability to pay income tax plus mineral resource taxes.

MR. HUTTON: I notice that his voice trailed off on the mineral resource tax. I wonder if he has the slightest conception, Madam Speaker, of what he is suggesting. Why he'd run us all out of Manitoba --he'd run us all out of Manitoba. Here we are lowering the income tax of this province by one point because we believe it is not in the interest of Manitoba, of anybody in Manitoba that it should remain at its present level, and he suggests that it should be what --double, triple, to raise that kind of money? Well that's a most interesting proposition and it comes, Madam Speaker, and honourable members from a man who is so used to wandering from one classroom to another in hot pursuit of theoretical principles, doctrinaire principles of various kinds.

Now I'm not saying this in any way disrespectful of the Honourable Member for Brokenhead because somebody has to chase these principles down. Somebody has to explain them to our young people who are growing up. I remember how we did it, and the professor would take us off into the wild blue yonder and we'd tear this idea apart, this principle apart, and we'd learn all about it; and then we'd go into the next classroom and we'd examine another of these doctrinaire principles and would examine it at great length, and our professor with great conviction would explain --you know become the protagonist-- the preponderance of this principle to get it across, and it was a wonderful exercise. There's nothing in the world that is more stimulating and refreshing and good for a person but, Madam Speaker, this is no classroom; this is no exercise; this is no mental exercise that we are engaged in here. This is for real. What we do here affects people right today and for time to come, and there's no room for these mental gymnastics.

MR. SCHREYER: There's nothing real about your taxes.

MR. HUTTON: We can afford to do these things when we're going to school, but

(Mr. Hutton, cont'd). . . . when you come into this House you're dealing with people and with their lives. Well it's only this habit you see of the absent-minded professor who can forget in one classroom what he was propounding in the last one, and that's part of his job. He has to. He has to be able to do this. You see he must never get into the position where he has persuaded himself that the whole truth lies in this proposition. Never, because his usefulness would be gone as a teacher. Well you know that; we all know that. But that sort of thing as I say is most proper and is the right approach in the classroom. My youngsters --I hope they get this sort of mental exercise and I wouldn't mind at all having my youngsters sit at the feet of the Honourable Member for Brokenhead because he will give them all the exercise that mental ability can absorb. I'm sure.

But, as I say, when you try or when you become so accustomed to this kind of approach, you know on this high plane, doctrinaire principles, I think there is a danger that one finds himself going off in all kinds of directions, and far from being pragmatic he can become highly impractical, and when one becomes highly impractical in matters that affect people and their lives, then I think it can be far more damaging, far more expensive, the price can be terribly high and higher than if we try to be a little bit practical, a little bit pragmatic.

After all, Madam Speaker, the only reason that we're here is because of the people and we've got to make the principle fit the people. You can't make the people fit the principle no matter how wonderful the principle is, it's the people that count. Well it results in the most -- this sort of exercise that he takes every day, and which is awfully good for my children and yours, results in some awfully queer performances when it's transferred into this House. It gets to be --it reminds me of a fellow who climbs on two very fast horses at the same time and they go charging off in different directions. What's going to happen to him? It seems to me it's going to be a lot worse than what's going to happen to us over here. I can just imagine. Well, he objects. He objects to these massive expenditures. Well if it seems to me that we've had trouble ever since I got into the House to ward off additional expenditures that the Honourable Member for Brokenhead thought were in the interest of the people of Manitoba and he was always urging us to do more. We weren't doing enough; we should have spent more money; we weren't going fast enough.

MR. SCHREYER: Madam Speaker on a point of privilege, I'm being misquoted there in a very substantial way. I didn't object to your rate of spending, I objected to your rate of spending when you don't know where you're going to raise the money with any equity. That's what I objected to.

MR. HUTTON: I understand, Madam Speaker. He doesn't object to spending money. He would just get it in different places, probably with a sales tax, or maybe not the sales tax, the income tax --the income tax. Well that's a good tax in the sense that it observes the ability to pay. Well the mining royalty tax --yes. I think that the great bulk of it though would have to come from the income tax because when you've gotten rid of all the companies that we have in the mining business and you couldn't get any new ones, then that load would shift over onto the income tax and then you would really drive the people out of Manitoba. Well I don't know whether they'd --I don't know, Madam Speaker, whether those people would be able to get on one of those horses he's trying to ride or not. I don't think there'd be room for them all, all that would leave if you tried to raise all this money on the basis of the ability-to-pay principle as its reflected in the Income Tax Act.

Well I don't think that we're so pragmatic as the Honourable Member for Brokenhead seems to feel that we are. I do believe that this government has principles. We accepted the principle that the burden on real property was too great. We accepted that principle. I wonder if the Honourable Member for Brokenhead believes that the taxes aren't too high on real property. I wonder if he'd like to stand up and tell all the people in Manitoba that as far as he's concerned the level of taxation on real property is just right and it ought to stay there and there should be no attempts whatsoever to lighten that burden, to make it fairer than it is at the present time. I don't think he would make that statement, so if he won't make that statement then he must agree that it's too heavy.

Now, I know, Madam Speaker, he'll probably say that we're to blame --we're to blame. We made it too heavy. Now how did we make it too heavy? Well we brought in some

(Mr. Hutton, cont'd). . . reforms in the field of education, and you know there's something about reforms, sometimes they cost money--sometimes they cost money. It's a good thing to have good schools and better trained teachers, but good schools cost money, better trained teachers cost money; school buses cost money; and you know it all comes down to this, Madam Speaker, that somewhere along the line a man has to stop chasing these doctrinaire principles and he's got to come down to the practical facts of life. The practical facts of life and that is if you want this you've got to pay for it. Yes. Yes. But the honourable member can vote for schools and he can vote for better teachers' salaries and he can vote for better school buses and he can vote for more money for the university and he can advocate higher salaries and he can -- all of these things he's in favour of it but by golly, he sure is tight with the fist when it comes to taxes. Now if he isn't "riding two horses in different directions," I don't know what he's doing. --(Interjection)-- Oh, yes, ability to pay, but his proposition is so ridiculous. If you try to load this whole thing on the basis of ability to pay, what's he talking about? The income tax? He must be talking about the income tax. --(Interjection)-- Well sure. Well, as I say he's going to close down all the mines and chase out all the oil drilling rigs in Manitoba and then the case will even be worse. But if you try to do it with income tax--we know and we are not proud of it, that we have the highest income tax in Canada. I think there's another province that's as high as ours and we're trying to get down. Saskatchewan --the lowest is in Saskatchewan. (Interjection) No, no you can't blame them yet. You can't blame them yet I think it won't be long till you have some very good targets over there but not quite yet. Give them a little time; give them a little rope.

Madam Speaker, the fact is that you can't ride these horses in different directions. The fact is that my honourable friend from Brokenhead can talk, and we love to listen to him and it's good exercise for us, but when it gets down to the practical business of finding practical, useful, helpful policies to help the people of Manitoba, we can't follow these cotrinarie principles of his. It would just drive out our professional people, it would drive out our executive people in Manitoba, such a proposition that you would raise money through income tax. Well, Madam Speaker, really all I got up to say was that this was a wonderful speech. I thought it was a wonderful speech that he made, that it was wonderful mental exercise for us all, but that's where it ends --that's where it ends. Because his proposition, the proposition of the Honourable Member for Brokenhead, that you can raise all of this money by income tax is utterly absurd. And even when he tacks on the mineral resource tax; that's even more absurd to suggest that you could put so much tax on it --that the less fortunate people didn't have to pay these taxes. It's even more absurd. And when he examines his principles, even in the cold light of his classroom, I think if he thinks about it long enough, he'll be able to see through the absurdity of it all. Thank you.

MR. SCHREYER: Could I ask my friend who prides himself on being practical -- could I ask him a question? I would like to ask him what he finds practical in the proposal here before us to lay on forty-seven or fifty seven dollars of new taxes to give a rebate of fifty. What's practical about that?

MR. HUTTON: Madam Speaker, I'm not as sure as the Honourable Member for Brokenhead that the average Manitoban, especially in the low income bracket, drinks that much or smokes that much and I think that if he examines the impact on the average man in Manitoba, the average home-owner and the average farmer in Manitoba, that he's going to find that there is an advantage to that person or party and that although nobody likes this tax increase and although the tax is going to raise the cost to the individual, and nobody can deny that, but still in the overall it is going to remove that burden, half the burden of school tax from over 60% of the property owners in Manitoba, and it isn't all going to be taken up with taxes on beer, whiskey and tobacco.

MR. PAULLEY: I wonder if the Honourable Member would permit another question. Do we take from his discourse here this evening that he agrees that the new impositions as being suggested by the government bear no relationship as to whether or not those who are going to have to pay for it have the ability in order to pay for it? Or is that too deep for my honourable friend?

MR. HUTTON: He's trying to --Madam Speaker, I don't agree that the great burden of this tax is going to fall on those who can't afford to pay it. I think that some tax will fall on all people. Yes. Some tax will fall on all people, but this does not mean that it's regressive or that it is unfair.

MR. DESJARDINS: Madam Speaker, for the Minister's information, when he sat down the first time he was up to 6,382 words.

MADAM SPEAKER: The Honourable Member for St. John's.

MR. SAUL CHERNIACK, Q.C. (St. John's): Madam Speaker, I listened with interest to the critic on the problem of mental exercises and mental agility and if I may borrow a thought from the Honourable the Minister of Mines and Resources who spoke earlier this evening I found it not too difficult a mental task to follow the Minister of Agriculture as he wended his way through the portion of the evening which he allocated to himself. I listened with interest to his answer to what was said by the Honourable Member from Broken-head because I thought that at last we might hear some idea of what it was that was the principle behind this tax. And I heard the Honourable the Minister of Agriculture say, "I believe that the Conservative Party has principles." He says, "We believe that the burden of taxation on real property was excessive." Frankly, Madam Speaker, this is the first time I've heard him or any other member of his group say that very group of words in one sentence phrased in that way.

Now, I don't think that I have not been listening to the members of the Conservative Party. I do not believe that I heard them say that they believe, or any one of them who acts as a spokesman, say that they believe that the tax on real property was excessive. As a matter of fact it seems to me that I heard that being said on this side of the House in the first session which I attended in 1963, in the second session that I attended in 1964 and I think I heard denials, if I heard anything, from the other side of the House on this question. I remember, Madam Speaker, that I had occasion to speak for the first time in this House on the Speech from the Throne and it seems to me I spent a fair amount of words -- I don't know how many-- dealing with the problem of the burden of real property taxation. And I seem to remember the Honourable the Attorney-General criticizing and taking me to task for some of the things I said and I remember a bit of mental gymnastics that went on between the two of us dealing with arithmetic, where it seems to me that he was magnifying the suggestions made by the party of which I am a member, to something like five times or maybe more, times what we really were proposing and I remember, Madam Speaker, that it was dealing with real property tax and I think the cost of education, that he used boogey words, if I may use that expression, in attempting to frighten the people who might believe him in what he was saying in terms of what this party would dare to do to the tax-payer of this province. And now I hear, some year and a half later, the Honourable the Minister of Agriculture use similar terms. Somewhere or other he said double, triple, talking in terms of income tax. If he said double, triple, I would say nonsense --double nonsense, Madam Speaker. You don't use --no matter how much you enjoy the art of debate-- you don't use boogey words if you're in this House talking about the practical, pragmatic problems that face the people of this province. You do if you're on the hustings, but you don't when you're trying to talk about principles and taxation and trying to talk reasonably and logically about differences in the approach that different parties have to the problems that face us.

Now I read --I listened first to the Honourable the First Minister when he introduced Bill 2 and I'm going to try to avoid debating Bill 2 on this occasion because we will have an opportunity to do it and I want to hear my Leader speak so I can get some direction on it. But I listened to the Honourable the First Minister on this question of Bill 2 and I cursorily read what he said just while the Honourable the Minister of Agriculture was speaking. I hope he's not offended because it wasn't too great an effort to do both. And I looked in the speech of the Premier of this Province for an acceptance of the statement that the burden of real property taxations has been excessive. I did not find it, Madam Speaker. It may be there but it's buried. I didn't find it. And I didn't expect to find it, Madam Speaker, because aside from what I heard in this House, I had the privilege of hearing the Honourable the First Minister speak to a convention, a conference of representatives of urban municipalities and it was two years ago--it may have been three years ago-- and I remember that

(Mr. Hutton, cont'd). . . . he produced statistics to show that the real property taxpayer of Manitoba was not paying an excessive amount of real property tax and he had comparisons with different provinces to indicate that the municipal men who were demanding tax relief were not justified in demanding this tax relief --and if I have occasion to I will attempt to find press reports or other confirmatory statements of what I am now reporting-- so that I believe that this whole fuss about real property taxation is exactly the practical pragmatic approach that was evidenced in the words of the Honourable the Minister of Agriculture. There are enough people in this province, not Conservative Party members, who believe that the real property taxation has been excessive to the extent where we had a commission report, was it a year ago, a little more than a year ago, on municipal taxation and which used phrases which were familiar to some of us who had occasion to speak on the platform during the provincial election, when they said costs which are attributable to people should be borne by people; costs attributable to real property services should be borne by real property. That was said by the commission on municipal affairs; and that was said earlier than that by the New Democratic Party; and that was decried and mocked by the Honourable the First Minister when he spoke in terms of \$100 million; and that was then repeated by the Michener Commissioner which used similar expressions and which said that services to people should be paid by people. And now the Honourable the Minister of Agriculture says, "we are dealing with people". Well I don't know with whom these other commissions were dealing nor do I know who he thinks were the people that concerned the New Democratic Party when we spoke in those terms; but I say that if you want to be practical and pragmatic then you must decide whether you want to do something for the people that you think they need or whether you want to stay in power. And I think if you want to stay in power then you are most practical, you are most pragmatic, and then you proceed to pretend to do what it was recommended that you should do in such a way as to reshuffle the moneys from one pocket into another and pretend to come up with the answer to the problems that were posed. And I think that that is what this government is attempting to do.

I still can't find the principles which the Honourable the Minister of Agriculture believes the Conservative Party has. I can't find them Madam Speaker and I've looked, and I imagine there'll be somebody else speaking on the part of the government and possibly they will be able to direct my finger and my eye to the location where I could find those principles but I have not yet heard them; but I did see in the whole approach to this problem of real property taxation a good principle which says, "let us stay in power," and of course the logical reasoning behind it is, "We are good for the people; we give them good government therefore it is logical that we should stay in power to continue to give them good government, therefore it is all right not to have too stern, too rigid principles when it comes to methods of taxation as long as we continue to stay in power." And I believe Madam Speaker that that is exactly what's happening here. I believe that it was pointed out time and again by various people who affect and influence votes that the burden of taxation on real property has been excessive. I don't believe that the Conservative Party accepted that policy until very recently and then the Conservative Party found it necessary, once they accepted that pragmatic and practical statement that real property taxation is too great, then they decided, well all right then we'll attempt to ease the burden. And not having the courage of their convictions and not having the confidence in the municipal councils and the countless peoples on what we have learned to term the grass roots level -- not having confidence in them, that if they relieve the burden that they will reduce the taxation, the government was then faced with the problem of how to reduce the burden of real property taxation; how to deny the municipal people the right to pass on any savings and how to provide the money to carry this out they started to search about and they only had to look at the Michener Commission to hear the answer of a free enterprise commission with a free enterprise economy and with the approach that governs people who are so fearful of driving somebody out of the province, this fear of driving you out of the province is a fear which seems to motivate the methods whereby one handles the problem of staying in power, staying in government. So that fearful of the suggestion made by the Michener Commission that a sales tax is the answer and not even being prepared to accept the suggestion in the Michener Report that there are ways where one alleviates the burden of sales tax a little by having a selective form of exemption --childrens' clothing for

(Mr. Cherniack, cont'd). . . some reason is considered politically sound to exempt, as is food --this government turned around the other way and said, Oh yes we'll oppose a sales tax but rather than be selective in the exemptions we'll be selective in the application and therefore we have a selective sales tax and no matter how much the Honourable Minister of Mines and Resources can say as he did this evening "no sales tax", there is a sales tax Madam Speaker and it's time we recognized it, and no matter how many times the Minister of Agriculture will talk about the drinkers and the smokers --and I admit to being one of the two; I don't know what he would admit to --the fact is that the total additional tax revenue from smokers and drinkers is I think something like 25 percent of what is expected to be raised-- and that is a sales tax but apparently it's a sales tax that's all right. It's O. K. to a man who smokes to say to him, "Well you don't have to smoke if you don't want to" and a man who drinks to say, "You don't have to drink if you don't want to." I used to think that smoking in moderation was perfectly all right. I discovered differently but it took a great deal of medical research to convince me of that. I still believe that drinking in moderation is not only all right, I think it's healthy and creates a better atmosphere in which to work as long as it's in moderation, and I don't think it's justifiable to brush it aside and say, "If you want to drink then you should pay a tax." I don't know why. We talk about ability to pay principles and the Conservative Party seems to think that it's ability to drink principle or an ability to smoke principle is a more sensible approach to raising moneys. I don't know that. I think that if one approaches the fact that necessary expenditures require funds to be raised in a reasonable manner one should not look for --the Honourable Member for Brokenhead used the term gimmicks -- one should not look for some method whereby one can raise money to pay for necessary things out of what seems to be unessential spending. I don't understand that. If it is logical to spend money then one should raise it in the most logical manner and the "boogey-man" that I claim was raised by the Honourable Minister of Agriculture is the thought that if we should increase an income tax we will drive people out. Well Madam Speaker I don't know whom the Honourable the Minister of Agriculture wants to keep in the province. I'm not sure just whom he's afraid of driving out, but I believe that the people who are in this province are here living their lives out and trying to fulfil them with the maximum return on their investment and I think that the investment that they make in the government of their province is an investment which should bring returns to them in terms of improved standards of living; and I think that if these people pay in one way through an income tax basis into the coffers of government which turns around and gives them education and gives them health services and gives them relief of real property taxation that that is something that is something that is proper and sensible and fair; but if what the Minister of Agriculture is fearful of and that is that the titans of industry will be driven away, that capital will run away from this province, then I'm saying that he is screaming wolf, because this is the theory that I have heard expressed in classrooms and by professors and by pseudo-professors. I have heard people raise this talk a great deal but I've also seen the great development, great growth, in those countries where they don't fear this kind of talk. So that, if the Honourable the Minister of Agriculture is so sure that he's being practical and pragmatic then I'd like to know just where are his statistics? Where does he base this claim that we will be driving people out of the province? I don't know that there's any way that they have found, this government, of attracting people to the province, so if they don't know how to attract them I'm not sure that they know how to drive them away. And yet it's just as easy to laugh at that --and I don't mean to laugh at it because I realize the problem exists-- but I say it's just as easy to laugh at these protestations as being academic and professorial and "pie in the sky" and "driving two horses at top speed in different directions" as it is to laugh at the statement that one should have a principle when one looks at the question of taxation.

It's all right to talk about one's youngsters being well exposed to mental gymnastics but not the people. We're dealing with people, is what the Honourable the Minister said. Well I think that we could all bear a great deal of listening to doctrinaire principles and to high plane discussions and to mental exercises and to listen with care and to attempt to learn and if not to learn at least not to laugh but to argue it on the basis of good practical logic rather than attempt to laugh it out as being something that is not feasible. I think that there is a way one learns what principles one has and I wish the Honourable the Minister of Agriculture

(Mr. Cherniack, cont'd). . . or any of his group would not only believe they have principles but believe enough in them to expose them to the light of this room so that the rest of us on this side could learn something about the principles of taxation in which they believe. Not these scare words. Not the practical answers, but rather the principles, the ideas, the theories which they have by which one operates a government, not for the purpose of staying in power but rather for the purpose of paying for the services which the people of the province need on a fair and equitable basis. And much as they want to laugh I have yet to learn of a more fair and equitable basis than the "ability to pay" principle. I don't mean the ability to spend principle. I mean the ability to pay principle. That principle is most enunciated in income tax. It's also enunciated in forms of luxury taxes. I don't know that any of us are so young that we don't remember the time when we had luxury taxes during the war, when we had restrictions on buying when it was found necessary to raise funds. I think there are other ways that one knows of to tax ability to pay. I think a capital gains tax is an ability to pay tax. I understand that it may --oh, it may take away something from the free enterprise idea that one must risk capital and get the maximum return. I understand that principle. I see nothing wrong with taxing part of that return on a lower basis as they do in United States, but that may be until Mr. Goldwater makes his way to the head of the government of the United States --it may be called a socialist country in United States, I don't know, but if a capital gains tax is a socialist policy then United States seems to be tending in that way. And the natural resources are something that are in this province, they need developing.

I don't think that International Nickel came running into here because the tax features were so good. I suspect that they came here because they found great bodies of ore here which made it possible for them to produce and to make a profit and I believe too to pay part of that profit back to the people who own the ore which they are using. So that there are ways of judging ability to pay and there are ways of taxing ability to pay and certainly this government must recognize the principle because it does have a share in the income from ability to pay principles. So don't laugh at it and don't threaten us with provincial bankruptcy, if we say that that principle is at least one we can understand and discuss. But if you say that that is professorial and mental gymnastics, then tell us just what are the principles which motivate methods of taxation, other than a delusory type which makes people think that they are not really paying a tax, but really they are. In other words if they are smoking it up then they don't really think they are paying a tax; or what's more if they pay a higher gasoline tax, or if they pay higher license fees they tend to forget these fees because they are part of what they are using up; and if that is contrary to the principle of direct taxation then I don't know what is, because this is a hidden tax if ever I saw one. It may be on the bill but it is forgotten pretty soon, and that is pretty good for a party that wishes to remain in power. So, other than that principle which I think I recognize, I'm looking forward to hearing more from the party which brings forth these methods of taxation and says "we believe we have principles". Well I believe that they believe that they have principles but I wish I could believe that they have principles even if I'm going to disagree with them.

MR. DOUGLAS L. CAMPBELL, (Lakeside): Madam Speaker, may I ask the Honourable Member for St. Johns a question? I'd like to ask the Honourable Member for St. John's if he still insists that he wasn't talking on the tax bill.

MR. CHERNIACK: I hope I will have an opportunity to answer more fully when I do talk on the tax bill.

MADAM SPEAKER: Are you ready for the question? The question is on the motion of the Honourable Member for Emerson. Your question of adjournment.

MR. JOHN P. TANCHAK; (Emerson): No, Madam Speaker. I think I have been listening with diligence to the former speakers and I think now I have enough material so I have changed my mind and I am going to speak right now. I must confess that I really enjoyed the last few speakers, some were entertaining and some were interesting in a different way, educational, and so on. We come to the speakers --the Honourable Minister of Mines and Natural Resources I think was the most entertaining, very entertaining. There isn't anything in which we could think out , but it was funny, comical, and I would like the minister to tell me which comic strip he used when he read that speech, or part of it. Is it

(Mr. Tanchak, cont'd). . . Lil Abner, was it Jiggs, I don't know. I have to say that I enjoyed the contribution made by the honourable member for Brokenhead. I think that it was a wonderful contribution. It does not mean that I agree with all his philosophy. I disagree in certain aspects, but as far as his speech I think it was worthwhile listening to. The last speech, I am not going to get into a fight with a lawyer, so I'll just let it stand as it is. Now, mine is going to be a very simple one. My contribution - I'll come right down to earth and maybe some member after me may get up and brand mine as comical. But, I'll try to do the best I can. I still have to say that the last few speeches at least they were jovial. I'll try not to spoil the spirit.

I recall a time just about six years ago -- and you have a recorded or a tape of that speech-- and this happened at Vita, just about six years ago. One of the ministers at Vita at the time, speaking in an election, had this to say, "Oh those bad Liberals, they say that there isn't enough money for the services that the people want; but I tell you that they're not telling you the truth. Manitoba has plenty of money. There is a lot of money in Manitoba. Surpluses every year, as they say. But, they don't know how to use it. We will give you better services, we will give you better schools, we will give you better roads, give you better health facilities, and we will not tax you any more. No extra taxation, and we've heard that repeated quite often by other ministers." It is possible within the same tax structure. The First Minister himself, what did he have to say? Of course he referred to sales tax. But once before that he says, "no extra taxation, the sales tax is as dead as a dodo." Now what happened to this dodo --the poor little fellow?-- resurrected. We have got a sales tax now. A few years ago he was as dead as a dodo. (Interjection) They promised, the present government promised the people of Manitoba that there will be no tax increase. But listen to this, I have a list of 23 different tax increases right here on the paper since the present administration took over. And let us go through them. What about the reserves that the former government left? What happened to the reserves? If the government's still in possession or has it stashed away someplace why doesn't the government use those reserves now and doesn't tax the people more and more every year? I don't think there was one single year since this administration came in that this government did not raise the tax burden on the people of Manitoba. I don't think there was one single year. Of course the First Minister does not wish to call them all taxes --some are fees, some are permits, and so on. But they are taxes. If you are taking the money from the people what else could it be? It is a tax. So I mention the first one and it was a tax reserve. What about the increased fees, marriage licences, entrances to school tuition fees, and all kinds of fees in connection with transactions, legal transactions, all of those have been raised. Every year a different tax. That's number two. Now number Three: Increased Licences- licence fees. We've got game licences increased -- we've got drivers licences increased, even Five Dollars if you want to retain a special number; anything, anything at all, as long as you can extract more money from the people of Manitoba. And bear that in mind, they told us that Manitoba had plenty of money --no tax increase. Now they are acting different. Number Four. Introduced new licences --licences that we have never had before. Now we've got them. Some people have to have a licence to sell tobacco. And many different licences have been introduced by the present government. Isn't this a tax? This is a tax. And they said no new taxes. All kinds of other fees, hay permits increased and so on.

What about the parks? Entering parks, you have to pay a fee to enter a park, to go in to enjoy a day of relaxation. Fees there. Number Five. That was number five. Now Number Six. Increased gasoline tax. No increase in taxation? But this is not a tax probably, this is just a rise of 3 cents in the price of gasoline. That is a tax. An increase of 3 cents on the gallon, that's the first time, mind you, that's just the first time. No tax increase. Every year they say oh we'll halt the taxes, the burden is too high. The burden of taxation on the local property owner is too high, we can't go any further. Next year they'll just turn the leaf over and say "this is white; this is black". Number Seven. This is the government which resorted to the provincial income tax. The people to my right may disagree with me. That's their privilege. If that's what they believe in, fine, I'm not going to argue with them. But the fact is that the tax has been increased. Income tax, provincial income tax, that is one of the other years of the six years that this government was in power.

(Mr. Tanchak, cont'd). . . .

Now what about Number Eight? This is the government which imposed the provincial cigarette tax, tobacco products tax. First time only, yes. --(Interjection)-- never mind. When the government goes ahead and makes a parcel of so many different things sometimes we have no choice --if they have some good in it and some bad, we have to, we can object to it and then we'll have to vote. And you did the same a few times, you objected to a certain thing and then you accepted it. --(Interjection)-- Never mind. --(Interjection)-- No your is quite inconsistent. Now this cigarette tax; again we have it but I'll come back to it. Cigarette tax, liquor tax, and maybe some gasoline taxes, the user or the person who is using it doesn't have to do it they say, especially cigarette tax and liquor tax. It's not an ordinary necessity of life. Who is to judge what is a necessity of life? Is a T. V. absolutely necessary? Is it absolutely necessary? No, you can live without it. Is a radio absolutely necessary? You can live without it. What about the newspaper? If you wish to you could live without it; you don't have to know what's going on. What about the bed that the front benchers sleep in? Is it absolutely necessary for you people to have a soft bed? Why don't you sleep on a plank? It isn't absolutely necessary for you to have a soft bed. What constitutes a necessity of life? Oh, well, tobacco and liquor, they don't have to do it. You don't have to sleep on a soft bed. Buy yourself a plank, it's cheaper. --(Interjection)-- Yes, but I'm using their ideology. They say that it's not a necessity of life. Maybe as far as I'm concerned beer is not a necessity of mine because I never drink it, I don't like it. But maybe my neighbour likes it and I've known in some cases where the doctor prescribed wine. He says you have come to a stage in your life where your arteries are hardening --whether it's right, I'm not a medical man-- and that little bit of wine will help you. And he had a prescription. I might need one too the doctor tells me; he's giving me a free prescription right now. Thank you. I may be taxed tomorrow for it by this government. --(Interjection)-- Now we've come, that's the income tax, cigarette tax, 5 cents on the package. You may be saying that I do once in a while I nibble on a cigarette like the Premier says he nibbles on a cigar once in a while. I might be pleading my own case. No I'm just trying to point out all the different taxes and what they consider not a necessity. What about the liquor taxes. We'll give you the same services with existing revenues. Where is that promise? This government cannot be trusted. They'll tell you one thing and do a different thing. Because they told us there'll be no increase in tax. That's number nine. Increase Number 10. Increase in motor vehicle charges, once; they've had some increases in the motor vehicle licences and so on. That's the first time. I suppose that's not a necessity in life, it's not a necessity; but statistics prove that at least 40 percent of the cars used are an absolute necessity in life. Some figure around 44 or 46 percent. Those people must have those cars to carry on their way of life --so that's a necessity-- So there comes the motor vehicle.

Now it appears the Premier could not wait. No taxation, no extra tax he said, a few years on the front pages, benches, but this year they could not wait out a year. They have to call a special session to extract more money from the people of Manitoba, a special session to extract more money, twice in the same year. Who knows maybe next year there'll be two special sessions. Two times this government may have to impose new tax. And what are the new taxes? New taxes on electricity which is a utility, everybody, practically everybody is using that - five percent on electricity. A brand new tax, something you haven't heard before. A tax of five percent on the telephone --that's tax number 12, as I mentioned. --(Interjection)-- Oh, about seventeen more. Tax number thirteen on coal and its derivatives, tax on coal, number thirteen. Some people still use coal. I presume in the opinion of the government this isn't a necessity. Maybe not. What about the fuel oil tax? Oh, let the poor fellow freeze, it's not a necessity. He can dance, dance around and keep warm. He can dance, it's not a necessity of life, I presume, in the opinion of this government. That's tax number fourteen. Tax No. 15, Motor fuel tax. That's the second one, the second time that they resorted to this tax. It wasn't enough the first time, it's the second time now. That's Fifteen. Number sixteen --gasoline tax, the second time again, it wasn't enough the first time. And this is the government which said no extra tax, and no sales tax. And this is a sales tax. What else can you call it? Number seventeen --tobacco products

(Mr. Tanchak, cont'd). . . tax, a hundred percent increase in this tax this year, a hundred percent increase, tobacco tax, tobacco products a hundred percent increase this year. --(Interjection)-- The Leader of the NDP says he quit smoking for good. That's not a necessity of life I presume. And maybe I might have to agree, but I'm not the one to tell you it's not necessary for you to smoke; and I've known a person well who tried to quit, the doctor told him to quit smoking and what did he do --instead of smoking a cigarette every hour of the day he went and beat up his wife every hour of the day. --Why. --(Interjection)-- The present government should tax -- why did he do it, he said he didn't know, he got so nervous that he did. Maybe it was a necessity-- it was a necessity in his case --(Interjection - to beat up his wife?)-- No --smoking. I'd prefer he'd beat up one of the ministers.

Now we come to tax number eighteen, mining royalties, an increase, a brand new tax. I'm not going to say too much on that, I'll just simply say that this is one of those taxes that the government wasn't going to levy. One of those taxes that the government said no tax increase, at any time --(Interjection)-- The Minister said I'm not going to argue. I don't know enough about that. Motor Vehicle licences, a second increase. And on all these licences how much the increase? 25%, -- one quarter --25 percent increase on drivers' licences or motor vehicle licences, that's one. The driver's licence increased by 25 percent -- that's quite a huge increase 25 percent. And behold here we come again. Of course there's some exemptions, not on the worker, but income tax increase of 4 percent on corporations. It's fine to tax on gasoline, to tax the corporations, and so on, but who eventually pays that tax? Who does pay? You raise the price of gasoline. The freighters use gasoline in their fuel oil, motor fuel oil, they'll raise the freight rates on the commodities they bring in. The corporations will raise the price of the commodities that they make and eventually it's the consumer that'll pay that tax, no matter which way you look at it. So you have a general price increase on many products, on many products so indirectly, although the Minister does not wish to call it a sales tax, indirectly it is a sales tax because it is going to affect practically all the commodities, everything that the people use in the Province of Manitoba that the consumer has to buy.

Now we come to tax number twenty two, pretty close to the end now, I won't bore you, it's only seven minutes. -- (Interjection) -- Land Transfer -- one percent, land transfer one percent. That has been argued by people who know more about it again that's what their work is concerned with, titles and so on so I'm not going to -- but this is another tax and one of those taxes where they were not going to impose. Now behold we come to the last one. And that's the twenty third, twenty three different taxes within this bill -- and that's the liquor tax again, on beer on wine and on liquor. That's not a necessity of life they say and it's quite all right a man does not have to drink if he -- it isn't necessary for him to drink. That part -- I'll let it go at that. All right. I mentioned hay permits before.

Now what can I say to this? I can simply say this, that in my opinion these taxes would not have been necessary. The government promised not to increase, not to levy new taxes, not to increase existing taxes but they have broken their promise, that promise has been broken, the promise of no sales tax has been broken. But it wouldn't have been necessary to resort to these extra taxations -- the Ministers themselves said the Province of Manitoba has plenty of money. Where is that money? The only thing that I can deduct is that the government wasted the money. They have wasted the money. Sure. Even today I proposed a better pension for the teachers but no one can tell me that a better pension for the teachers is a waste of money. That's my proposal. But the government does waste money and it has been proved in this House and once the government admitted that they have wasted some money just to meet a deadline Where did they waste the money? I'll say one thing in education there was an awful lot of money wasted, an awful lot of money wasted. How was it wasted? Through building all these small schools throughout the school divisions. Sure the divisions are a good thing, if they were properly organized, if they were centralized, and I've said that every year. The only way you can achieve your aim, give better education in the Province of Manitoba and keep the cost down is by centralization but not building schools all over in the divisions, five, six schools in a division just like the elevators they replace, the schools now replace the elevator, the landmark the elevator. Build them all over the place, five, six, seven -- seven classroom high schools which are inadequate now -- and I

(Mr. Tanchak, cont'd.) did say three years ago that some of the schools that the government is presently building are going to be obsolete in a few years, they'll be obsolete before they're paid for and we're coming to that because some of those schools are obsolete. There are many schools, many divisions now that are besides themselves they're wondering what to do in their divisions. They cannot offer the courses that are being proposed at the present time. They cannot take advantage of the general course in a four, five, six classroom high school. They say that we need at least an eight, that's the minimum and we've got many

MR. SCHREYER: How big are they in the Emerson division?

MR. TANCHAK: Oh, we've got one five and one six, just as good as in a division, some of them, and one two, high schools -- but that's beside the point how big they are. This was supposed to be an improvement, and it could have been an improvement if the government was not looking at that vote that was coming. That was popular. Scatter, break up a good plan, scuttle the plan, and that's what this government did and wasted the money instead of building one auditorium in a division they build six or five auditoriums instead of one science lab room they built five or six, that's how the money was wasted. Not because they set the divisions but because they scuttled, spoiled the division plan, and I would venture to say there are about 50 percent of the divisions in Manitoba have this trouble existing with them at the present time and that was a waste of money to build so many schools. They should have built, they should have stuck to the original recommendation of the Commission on education.

Now I'm not going to mention Grand Rapids. I mentioned it indirectly before, that we do believe that there was money wasted, at least and I think to a certain extent the government agreed to that or said that was quite so but it was necessary to waste it. Two million dollars. What's \$2 million? There was a word what's a million, now it's what's \$2 million? It doesn't mean anything. -- (Interjection) -- Yes, I know that but now we've got a different version -- (Interjection) -- Yes. Money isn't worth as much so it's got to be \$2 million. And what about the overloaded bureaucracy of the present government. I'm sure there's plenty of waste there -- overloaded bureaucracy. Maybe I should not say that, but just not so long ago one of the people working, and I'm not going to even say that he's a civil servant but working for the government, and he said to another one "Oh well, that's fine, I've put my day's work in today. I don't have to work anymore. I've worked my one hour." Now I hope that that's not general, but that's what I heard.

What about the waste on the floodway? The government could have got a better deal from Ottawa at the time. Of course this tax comes from the people too, never mind. But there are other provinces who got a better deal. This government could have done it if the First Minister wasn't in such haste to accept the first proposition given to him. Now let's come to the school tax rebate. I agree that the property owner is being overtaxed and I agree that we must search for some relief and maybe a rebate is fine, but I can't go along with this kind of rebate, when the government goes ahead and shoves its hand in one pocket, takes out \$50 and then shoves it into another pocket puts in \$50, at a cost of maybe \$60 because the cost of the administration is there. You take out \$50 from this pocket, you put \$50 in that but it's going to cost maybe \$10 to put it there. There could have been a simpler way of doing it. It wasn't necessary to do it that way and I still say that you have no right to play Santa Claus with one eye looking at the next election, and I would say that that is political expediency to do it that way. There must have been a better way of doing it, rebating this tax. Why do a thing like that? Why do I have to be beholden to Poppa Somebody just because he gives me \$50.00. I think it is a cheap way of rebating, cheap way of rebating, it could have been done through the municipal level. When a . . . the municipality serves a man with a tax bill, deduct \$50 or half of his total school tax, put it on paper and then present one bill to the government and the government pay the municipality if you want to rebate it, but this is a good gimmick, probably, and that's what it was. Reduce.

MR. EVANS: Madam Speaker, on a point of order, I wonder if the honourable gentleman has unanimous consent of the House to continue,

MR. TANCHAK: I'll continue -- two minutes

MR. EVANS: If he has, I suggest that after this address we might have the vote on this motion, if that has the unanimous agreement of the House.

MR. PAULLEY: Madam Speaker, as far as I'm concerned in this corner I'm prepared to allow the honourable member to continue in order to finish what he is saying. I would however object to the vote being taken at this time this evening.

MR. TANCHAK: Have I got I'll just carry on for about two minutes.

MADAM SPEAKER: Is there a vote from the entire House? I would like to remind the members that I would like to keep to the system of closing on time. If the House is willing to give this, have we your consent?

MR. EVANS: Madam Speaker, he has the unanimous consent of the House to, I take it, take a very few minutes to finish his present train of thought.

MR. TANCHAK: As I started saying before there should be an easier way to rebate this tax through the municipal level. Why go ahead and show that you have no confidence in the municipal level. And I was told that before by some of the members from the other side, how can we be sure that this will be passed on to the taxpayer. In other words, you do not trust the local government at the municipal level, therefore I have to be the Big Poppa to give out, and I say that this trick was used before. First you raise the tax sky-high and then you drop it to be a good boy. You did the same in the premiums, hospital premiums, you raised them and then you were good boys and you dropped them. Now you raised the property tax now you're going to be good boys and drop them again. I think that is poor politics. -- (Interjection) -- Fine, I'm finished.

MR. SMERCHANSKI: Madam Speaker, I beg to move, seconded by the Honourable Member of La Verendrye that the debate be adjourned.

Madam Speaker presented the motion.

MR. JOHNSON: I'd like to ask a question of the Honourable Member from Emerson, if I may before we adjourn. -- (Interjection) -- All right. Well I've just got 23 things

Madam Speaker put the question and after a voice vote declared the motion carried.

MR. EVANS: Madam Speaker, I beg to move, seconded by the Honourable the Attorney-General that the House do now adjourn and stand adjourned until 10:30 tomorrow morning.

Madam Speaker presented the motion and after a voice vote declared the motion carried, and the House adjourned until 10:30 Tuesday morning.